

RECEIVED
CENTRAL FAX CENTER

DEC 12 2006

Application No: 09/886,064
Attorney's Docket No: NL 000349

REMARKS

Claims 1-10 are pending in this application. Claims 1, 3, 6 and 10 are amended. Claims 2 and 7 are cancelled without prejudice to, or disclaimer of, the subject matter recited therein.

The subject matter of claim 2 is incorporated into claim 1. Thus, the dependency of claim 3 is amended to depend from claim 1. The subject matter of claim 7 is incorporated into claim 6.

All of the rejections in this Office Action are rejections under 35 U.S.C. § 103(a). The test for determining if a claim is rendered obvious by one or more references for purposes of a rejection under 35 U.S.C. § 103 is set forth in MPEP § 706.02(j), based on the cited authority of the Court of Appeals for the Federal Circuit:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

Therefore, if the above-identified criteria are not met, then the cited reference(s) fails to render obvious the claimed invention and, thus, the claimed invention is distinguishable over the cited references.

Application No: 09/886,064
Attorney's Docket No: NL 000349

In sections 2 and 3 on page 2, of the Office Action rejects claims 1, 6 and 10 under 35 U.S.C. § 103(a) as being allegedly unpatentable over Applicant's Admitted Prior Art (hereinafter AAPA) in view of U.S. Patent No. 6,633,653 to Hobson et al. (hereinafter "Hobson"). This rejection is respectfully traversed.

Claims 1, 6 and 10 recite, "wherein the magnitudes are selected randomly according to no discernible patterns." Claims 2 and 7 recited, "randomizing the magnitudes of the Fourier coefficients of said watermark." In the rejection of claims 2 and 7 in paragraph 5 on pages 3-4, the Office Action correctly concedes that AAPA does not disclose, teach or suggest this subject matter. In order to overcome this correctly conceded deficiency in AAPA, the Office Action relies on Liao.

Applicants respectfully submit that the Office Action's choice not to rely on Hobson with respect to this subject matter was correct for the reason that Hobson does not disclose, teach or suggest the subject matter quoted above.

For at least the foregoing reasons, it is respectfully requested that the rejection of claims 1, 6 and 10 under 35 U.S.C. § 103(a) as being allegedly unpatentable over AAPA in view of Hobson be withdrawn.

Regarding Liao, the reference clearly discloses that a first subset of transform coefficients are increased in magnitude steadily, and a second subset of transform coefficients are decreased in magnitude steadily. The only significance of the randomization of the magnitude of the coefficients in Liao is a randomization of the extent to which the magnitude of the transform coefficients is increased in the first subset and the extent to which the transform coefficients are

Application No: 09/886,064
Attorney's Docket No: NL 000349

decreased in magnitude in the second subset. *See, e.g.*, col. 1, lines 61-65. Thus, the magnitude of the transform coefficients in Liao still have a clearly discernible pattern of increasing in the first subset and then decreasing in the second subset.

For at least the foregoing reasons, it is respectfully submitted that the combination of AAPA, Hobson and Liao does not disclose, teach or suggest that, "the magnitudes are selected randomly according to no discernible pattern" as recited in claims 1, 6 and 10.

For at least the foregoing reasons, it is respectfully submitted that claims 1, 6 and 10 are patentable over the combination of AAPA, Hobson and Liao.

In the second instance of a section 1, on page 3, the Office Action rejects claims 2-3, 5, 7 and 9 under 35 U.S.C. § 103(a) as being allegedly unpatentable over AAPA in view of Hobson and further in view of U.S. Patent No. 6,654,479 to Liao et al (hereinafter "Liao"). This rejection is respectfully traversed.

Claims 2 and 7 are cancelled without prejudice to, or disclaimer of, the subject matter recited therein. Claims 3, 5 and 9 are patentable based at least on their dependence from claims 1 and 6, respectively, for the reasons stated above in connection with claims 1 and 6.

For at least the foregoing reasons, it is respectfully requested that the rejection of claims 2, 3, 5, 7 and 9 as allegedly being unpatentable over AAPA in view of Hobson and further in view of Liao be withdrawn.

In section 8 on page 4, the Office Action rejects claims 4 and 8 under 35 U.S.C. § 103(a) as being allegedly unpatentable over AAPA in view of Hobson and further in view of Liao and

Application No: 09/886,064
Attorney's Docket No: NL 000349

further in view of U.S. Publication No. 20030161496 to Hayashi. This rejection is respectfully traversed.

Claims 4 and 8 are allowable based at least on their dependence from claims 1 and 6, respectively, for the reasons stated above in connection with claims 1 and 6. It is respectfully submitted that Hayashi fails to overcome the deficiencies in AAPA, Hobson and Liao described above in connection with claims 1 and 6.

For at least the foregoing reasons, it is respectfully requested that the rejection of claims 4 and 8 as allegedly being unpatentable over AAPA in view of Hobson, further in view of Liao, and still in further in view of Hayashi be withdrawn.

Conclusion

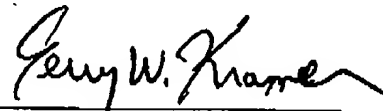
In light of the foregoing, withdrawal of the rejections of record and allowance of this application are earnestly solicited.

While we believe that the instant amendment places the application in condition for allowance, should the Examiner have any further comments or suggestions, it is respectfully requested that the Examiner telephone the correspondence attorney listed below in order to expeditiously resolve any outstanding issues.

Application No: 09/886,064
Attorney's Docket No: NL 000349

In the event that the fees submitted prove to be insufficient in connection with the filing of this paper, please charge our Deposit Account Number 50-0578 and please credit any excess fees to such Deposit Account.

Respectfully submitted,
KRAMER & AMADO, P.C.



Terry W. Kramer
Reg. No. 41,541

Date: December 12, 2006

KRAMER & AMADO, P.C.
1725 Duke Street, Suite 240
Alexandria, VA 22314
Phone: 703-519-9801
Fax: 703-519-9802

DIRECT ALL CORRESPONDENCE TO:

Larry Liberchuk, Esq. — Registration No. 40,352
US PHILIPS CORPORATION
P.O. BOX 3001
Briarcliff Manor, NY 10510-8001
Phone: (914) 333-9618
Fax: (914) 332-0615